

**Department of Telecommunications and Energy
First Set of Information Requests**

**THE BERKSHIRE GAS COMPANY
DTE 01-106**

Witness: Jennifer M. Boucher
Date: September 9, 2005

Question
DTE 1-1:

On an individual company basis, please provide the amount of low-income discount that is currently included in base rates. Provide a citation to the company's last base rate proceeding or settlement where this amount was established. Provide the number of customers on each low-income discount rate at the end of the test year that was used in the company's last base rate proceeding or settlement. Provide the number of customers on each low-income discount rate as of August 1, 2005. In addition, provide the total consumption of the low-income customers for each low-income rate class.

Response: The Company's most recent base rate proceeding, D.T.E. 01-56, was approved on January 31, 2002. Schedule 10 of the Compliance Filing to D.T.E. 01-56 shows that there is \$715,000 of low-income subsidy included in the Company's base rates. In the Final Order to D.T.E. 01-56, the Department approved the Company's request to utilize the level of customers participating in the low-income rates as of June 30, 2001 in its rate design. As of that date, the Company served 163 customers on rate code R-2 and 3,319 customers on rate code R-4, for a total of 3,482 customers on low-income rates.

As of August 1, 2005 the Company served 180 customers on rate code R-2 and 3,243 customers on rate code R-4, for a total of 3,423 customers on low-income rates. The annual consumption of rate codes R-2 and R-4 for the 2004 calendar year as reported in the Company's Annual Compliance Filing, D.T.E. 05-43, was 22,665 therms and 3,163,869 therms respectively.

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Question

DTE 1-2: On an individual company basis, please provide the amount of low-income discount that was included in base rates when the company's rates were unbundled. Also, provide the number of customers on each low-income discount rate as of the date that the company's rates were unbundled.

Response: The Company's rates were unbundled in a revenue-neutral manner in docket D.T.E. 98-32. Berkshire's rate unbundling process utilized information extracted from its most recent general rate proceeding, D.P.U. 92-210 (1993). The amount of low-income subsidy included in the Company's base rate proceeding was \$462,921. As of June 1998, the date of the Company's unbundling filing, Berkshire served 81 customers on rate code R-2 and 2,058 customers on rate code R-4, for a total of 2,139 customers on low-income rates.

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DTE 1-3: Please discuss which interest rate is appropriate to apply to any over- or under-recovery that results from a cost recovery mechanism.

Response: The Company submits that the Bank of America Prime Rate is an appropriate rate to apply to any over- or under-recovery as it is utilized in the Company's other recovery mechanisms, namely the Seasonal Cost of Gas Adjustment Clause, currently M.D.T.E. No. 329, and the Local Distribution Adjustment Clause, currently M.D.T.E. No. 330. Bank of America is the successor to Fleet Bank, who is named in the tariffs.

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DTE 1-4: Please provide a detailed explanation of the company's existing traditional outreach methods (i.e. not including the computer matching program) to ensure that the low-income discount rate is available to eligible customers. How often is each method of outreach conducted? What is the protocol for signing up new customers for the low-income discount rate under these traditional outreach methods? What is the protocol for removing customers from the low-income rate under traditional outreach methods?

Response: Berkshire has undertaken a wide range of initiatives to secure available benefits for its low-income customers. The Company has promoted the availability of such discount rates, worked actively and cooperatively with low-income agencies and advocates, sought to "bundle" available opportunities for the benefit of low-income customers (e.g. providing relevant conservation programs in coordination with discount rates) and implemented a "computer match" program with a local agency that administered the fuel assistance program before this generic docket was promulgated by the Department.

Berkshire pursues a wide range of activities to make customers aware of the availability of discount rates. These efforts include bill inserts, mailings and discussion of the programs on the Company's website. More importantly, Berkshire trains its customer service representatives to discuss all of the Company's programs for low-income customers as well as external programs such as fuel assistance. In October each year, the Company mails financial hardship forms to all residential customers. If a customer's income on the financial hardship form conforms to the low-income guidelines, the Company automatically changes the customer's rate to the appropriate low-income rate. Further, the Company has established an electronic matching program with its local fuel assistance program agency, Berkshire Community Action Council ("BCAC"). BCAC provides the Company with an electronic file of natural gas fuel assistance recipients. The rate code of these fuel assistance customers is automatically changed to the appropriate low-income rate for a period of at least one year, and additionally by virtue of receiving fuel assistance, the customer is provided financial hardship status. Further, the Company utilizes the date that the customer applied for fuel assistance, not the fuel assistance approval date for its rate change.

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**Question
DTE 1-4 (cont'd.):**

The Company utilizes its financial hardship form to determine income eligibility and changes the customer to the appropriate low-income rate code if the eligibility guidelines are met. The low-income rate is valid for one year from this certification. Financial hardship forms are automatically sent to active financial hardship customers every 3 months. If the customer's financial hardship status remains active after the year expiration, they remain on the low-income rate. This approach is also utilized with fuel assistance recipients. Alternatively, if the customer does not return the financial hardship form, the low-income rate is no longer valid. However, if an active financial hardship customer returns the financial hardship form within 3 months of the expiration of their financial hardship status, and the customer continues to meet eligibility guidelines, the Company retroactively restores the low-income rate back to the date of the financial hardship expiration. Finally, in conformance with its tariffs, the Company provides forms to residential customers annually to certify their continuing eligibility or compliance with the requirements for service pursuant to the low-income rate schedules. (See Rate Schedule M.D.T.E. No. 364 and M.D.T.E. No. 365 "Availability").

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DTE 1-5: Please provide a detailed explanation of how customers are recertified as eligible for the low-income discount rate each year under the traditional outreach process. How often does the recertification process occur? Are customers removed from the low-income discount rate until the customer confirms that he/she continues to be eligible for the low-income discount rate? If so, how are these customers tracked?

Response: See response to information request DTE 1-4.

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DTE-1-6: Are customers that are located via traditional outreach methods enrolled on the low-income discount rate as of the date that they apply for the rate or as of the date that the application is confirmed or approved?

Response: Customers that are located via traditional outreach methods are enrolled on the discount rate as of the date that they apply for the rate, or in the case of fuel assistance, the date that the application for fuel assistance is made.

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DTE 1-7: Please provide copies of each report submitted to the Commonwealth of Massachusetts Division of Energy Resources, pursuant to G.L. c. 164, §1F(4)(I), since March 1, 1998, regarding the company's "outreach activities and results."

Response: This request is not relevant to the Company as G.L. c. 164, §1F(4)(I) applies to electric distribution companies.